



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
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WASHINGTON, DC 20374-5065

IN REPLY REFER TO
ACQ 021
21 Jan 00

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: PAYMENT OFFICE DESIGNATION ON PROCUREMENT DOCUMENTS (00-01)

Encl: (1) OASN(RD&A) ABM memo of 6 Jan 00

1. The Defense Finance and Accounting Service (DFAS) has advised that procurement instruments are being received with an incorrect payment office designation which results in payments being delayed and Prompt Payment Act interest penalty payments incurred. In addition, DFAS advises that their Operating Locations (OPLOCs) continue to receive an unexpectedly high volume of individual non-purchase card invoices less than \$2,500.
2. Enclosure (1) provides procedures for assigning payment offices to procurement instruments. Please ensure widest dissemination of these procedures.

A handwritten signature in black ink, appearing to read "Michael F. Howard", is positioned above the printed name.

MICHAEL F. HOWARD
Director, Strategic Management/
Community Management Section



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

JAN 6 2000

MEMORANDUM FOR PROGRAM EXECUTIVE OFFICERS
DIRECT REPORTING PROGRAM MANAGERS
COMMANDERS OF THE SYSTEMS COMMAND

Subj: PAYMENT OFFICE DESIGNATION ON PROCUREMENT DOCUMENTS

Encl: (1) DFAS memo dtd 23 November 1999

Enclosure (1) is forwarded for your information. Please give it your immediate attention. It identifies excellent opportunities to streamline the payment process and reduce problem disbursements.

Widest dissemination and implementation of the attached enclosure is strongly encouraged.

A handwritten signature in cursive script, reading "Paul P. Buonaccorsi", is positioned above the printed name and title.

Paul P. Buonaccorsi
Executive Director
Acquisition and Business
Management

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Page 2 of 2

Subj: PAYMENT OFFICE DESIGNATION ON PROCUREMENT DOCUMENTS

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DEFENSE FINANCE AND ACCOUNTING SERVICE

CLEVELAND CENTER
1240 EAST NINTH STREET
CLEVELAND, OH 44199-2055

NOV 23 1999

(DFAS-CL/D)

**MEMORANDUM FOR DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
OASN (RD&A)**

SUBJECT: Payment Office Designation on Procurement Documents

This memorandum is being issued to call your attention to the longstanding DFAS policy regarding the designation of payment offices on DoD procurement instruments. We continue to receive instruments with an incorrect payment office designation. This requires us to return the instrument to the originating office for modification. As a result, payments are being delayed and Prompt Payment Act interest penalty payments increase. These consequences can easily be avoided by using the references discussed below. We are asking you to review the procedures contained herein and disseminate this payment office designation information to all your buyers and contracting officers. Please implement these procedures immediately.

In general, the proper paying office is determined by examining the line of accounting supplied to you on the requisition funding the procurement. DFAS Instruction of October 1998, Defense Accounting Classification Crosswalk (DACC) details how the individual DoD agency lines of accounting are constructed. The DACC also identifies which data elements embedded in the various lines of accounting are used to determine the proper DFAS paying office for any particular line of accounting. The DACC can be located on the web at <http://www.dfas.mil/library/dacc.pdf>.

Once the accounting office is determined by using the DACC, you will need to find the paying office authorized to disburse funds for that particular line of accounting. The DFAS Lane contains a web based reference tool linking accounting offices to authorized paying offices. This tool is located at [http://oraapp1.dfas.mil/vpocdev/bin/vpocview\\$.startup](http://oraapp1.dfas.mil/vpocdev/bin/vpocview$.startup).

In order to streamline the payment process and preclude the necessity of modifications to contracts, we strongly encourage you to implement the procedures contained herein when assigning paying offices to procurement instruments. Please be aware that for awards citing more than one line of accounting the paying office selected must be the one associated with the office accounting for the preponderance of the funds awarded. Dollar value is used to make this determination.

Additionally, we would like to ask you to review the use of the purchase card within your individual operations, as well as the progress being made toward decreasing the number of lines of accounting cited on an individual contract. DoD policy mandates that the purchase card be used when placing commercial type buys equal to or less than \$2500. Our OPLOCs continue to receive an unexpectedly high volume of individual non-purchase card invoices within this dollar range. This seems to be symptomatic of a non-compliance issue somewhere within your purchasing networks. Also, we ask you to work closely with your customers to ensure they structure their requirements packages and the associated funding in a way that will facilitate the DoD desire to minimize the number of lines of accounting within the same subhead appearing on an individual contract.

My technical point of contact is Mr. Joe Dugan, Deputy Director of the Defense Finance and Accounting Service San Diego Operating Location. He can be reached by calling (858) 616-4700, DSN 669-4700, or via the Internet at joe.dugan@dfas.mil. Let him know if you have any questions regarding the use of these web sites.



Kenneth R. Sweitzer
Deputy Director

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